

Do You Know Starmind? INSEAD Alumni Event Report

In mid-November thirty INSEAD alums and guests visited <u>Starmind International</u>, a quick-growing enterprise software startup in Küsnacht. The event was organized by the **Zurich Chapter of the INSEAD Alumni Association Switzerland**. Participants came from banking, higher education, venture capital and consulting to tour the startup's headquarters and hear from the management team about its clever algorithms, a dream of connecting thousands of "brains" and the sheer determination it has taken to grow the venture from 2 to 50 employees.

Founded in 2010, Starmind operates in the emerging digital workplace segment. It enables large-sized organizations to tap and map internal know-how. It works best in organizations with "thousands of employees", but will also work with 1,000, according to the company. Customers include Ogilvy & Mather, Swisscom, Sunrise, UBS and PWC. The software is deployed in 40 countries.

Key Takeaways

- Digital workplace solution with proprietary algorithms for matching expert knowhow with queries
- Simple Q&A interface, almost like a real-time FAQ
- Analytics to measure time and cost savings
- It is not a knowledge management system
- Self-learning software based on neural network model
- Targeted at large-sized enterprises with "thousands of employees

Solving Problems Internally

By using a simple interface employees can pose job-related questions anonymously. If the answer is not already in the database, it sends the query to the person most likely to be able to answer it. The solution can also be commented on by any other experts that received the question.

Firms that have bought the software-as-a-service (SaaS) are keen to have employees seek solutions and solve problems internally, rather than asking sensitive questions in public (e.g. LinkedIn Groups) or consulting colleagues who work at rival institutions, according to Pascal Kaufmann, Starmind's CEO and co-founder.



Caption: Starmind's software development team demonstrated the agile Scrum process

Competitors include Kaleo, a venture-backed Silicon Valley startup, as well as in-house "cloud-learning" solutions that are being developed by the likes of Cisco and Oracle (See <u>Cisco Launches Knowledge & Learning Platform</u>). These systems are differentiated from traditional knowledge management solutions that are hard to set up and have low adoption rates. "There is a market. We have competitors. But the others do not have our algorithms and we don't do knowledge management," said Kaufmann.

He credits a cheeky challenge made back in 2012 to an executive at IBM to pit his "1,000 networked brains" against IBM's latest supercomputer to solve a problem. An amused report by the executive in an internal IBM newsletter gave Starmind its first marketing pop.

Kaufmann, who has an academic background in biology, neuroscience and robotics, has a vision way beyond the digital workplace, pointing to the exponential growth in the number of specialists required to achieve scientific and technical breakthroughs nowadays. He talks about the notion of 'augmented humans'. "We are already like cyborgs by wearing contact lenses," he said.

Self-learning Software

In many ways Starmind's value is like that of Quora or YahooAnswers. But there is no curation required and it is private. Answers are validated, scored and stored, including an expiry date. The software is self-learning. It keeps only highly rated answers and deletes low-rated ones. If someone changes jobs or leaves, it "forgets" their past role. If someone gets a promotion, it "learns" about their new role.

Analytics to measure time and cost savings are built in. For example, it tracks how much time is saved by employees, as well as the expert's time who is relieved from answering recurring questions. For example, UBS's global IT department was quoted as saying that Starmind saved it USD 6 million in costs in its first year of use.

To save time some users with a particular area of expertise will create questions, anticipating frequently asked questions. One company's risk management expert would have had to look at the same question 400 times if the question had not already been asked and answered. "It's like a real-time FAQ that administers and updates itself. Information is good but what has real value in an organization is know-how and that's in people's brains and that is where we come in," said Kaufmann.

Engaging With Alumni

INSEADers and guests peppered Starmind's team with questions throughout the tour. For example, does a company need a sharing culture to make this work? The answer: There is usually already a collaboration culture in customers' companies. But sharing can be encouraged. Swisscom, for example, incentivizes its staff to move up from being an 'amateur' to 'expert', according to Kaufmann.

Usage not only breaks down functional silos, it can cut across cultural and geographical ones too. Spain's Telefonica says its use of Starmind was a key "smoothing factor" in the successful post-merger integration of O2. Another client says that 60% of questions posed are solved by colleagues located in another country.

How does Starmind know its software is going to move beyond pilot projects to longer term licensing? The answer: Starmind's use cases demonstrate value. For example, it enables quicker onboarding of new employees. It enables sharing complex know-how about things like regulatory compliance, risk management and complicated products. It also breaks down functional silos which can boost innovation from inside the enterprise. Kaufmann says the software is a "weapon against digital disruption".

